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GPO ANALYSIS SHOWS OMB PRINTING POLICY CHANGE WOULD RAISE COSTS, REDUCE PUBLIC ACCESS

At the request of the Senate Subcommittee on Legislative Branch Appropriations, GPO has prepared an analysis of the impact that Office of Management and Budget (OMB) Memorandum M-02-07, "Printing and Duplicating Through the Government Printing Office" (May 3, 2002), would have on GPO operations and Federal printing and information dissemination in general.

Title 44 of the United States Code generally requires all executive branch agencies to obtain their printing through GPO. The OMB memorandum would transfer printing authority to executive branch agencies.

The GPO analysis found that the OMB policy change would raise Government printing costs significantly, jeopardize the ability of small businesses to compete for Government printing contracts, and reduce public access to Government information.

OMB claims there will be savings of \$50 million to \$70 million annually from permitting agencies to perform or procure their own printing. Assuming all executive branch printing is removed from GPO, however, GPO's analysis shows that the cost to the Government could potentially increase over current levels by a range of \$231.5 million to \$335.2 million in the first year, and from \$152.8 million to \$256.5 million annually thereafter, resulting from:

- increases of \$103.8 million to \$207.5 million annually to cover the increased cost of executive branch printing, resulting from the establishment of duplicative agency printing procurement operations and/or the expansion of duplicative agency in-plant printing operations throughout the executive branch, as well as reduced competition in contracting for Government printing jobs;
- an increase of \$49 million for GPO's annual appropriation for congressional printing, a 60% rise over the current level of \$81 million, to cover GPO's fixed costs of maintaining a large printing facility solely to support congressional printing needs; and
- \$78.7 million in first year costs to pay for the combined expense of a retirement incentive program and reduction-in-force (RIF) to reduce GPO's current staffing

requirements by 50%, or 1,500 employees, and pay for the cost of lease terminations/close-outs in nearly 40 GPO printing and documents distribution facilities nationwide.

In addition, assuming that agencies comply with OMB's requirement to provide copies of their publications to the Superintendent of Documents for distribution to depository libraries, there would be a net transfer of about \$4 million in depository printing costs from the legislative branch to the executive branch.

GPO's analysis says that in addition to increased printing costs, the OMB memorandum could also lead to a number of non-quantifiable cost impacts on Government printing, such as loss of the capability to enforce Federal laws and regulations requiring the use of recycled and permanent papers and vegetable oil-based printing inks. There are also likely to be negative economic impacts on the private sector printing industry, especially the small businesses (and small disadvantaged businesses) that currently handle more than 70% of the printing orders procured by GPO each year.

Finally, there could be serious adverse impacts on the public's ability to access Government information through Federal depository libraries if executive branch agencies fail to provide copies of their publications for depository distribution, as previous studies have shown is likely. The decentralization of Government printing will also effectively terminate the ability of GPO's sales program to serve the public for anything other than legislative branch publications.

In transmitting GPO's analysis to Congress, Public Printer Michael F. DiMario said, "Observance of the requirements of the public printing and documents chapters of Title 44 by Federal departments and agencies is necessary in order to achieve the taxpayer economies that the law is designed to promote. Compliance with the law is also essential if the system of public access provided by GPO's documents distribution programs is to continue to be effective. Both of these sound public policy objectives will be severely undermined if the OMB memorandum on printing is implemented."

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